

Establishing International Development Assistance Strategy in Russia

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The paper analyses the process of establishment and development of the national system of international development assistance in Russia. The analysis covers the period starting from 2005 when key national priorities for international development assistance were defined and amounts of foreign aid were substantially increased on the threshold of Russia's G8 Presidency preparations. The emerging structure of governance, the aid flows and amounts of allocated ODA, as well as the funding priorities in the sphere of development assistance are described on the basis of the analysis of official documents, statements and speeches of officials, reports of international institutions, and statistics available for public access. Russia's participation in multilateral international organizations and institutions in the sphere of development cooperation is also considered. Drawing on the results of the analysis the author proposes recommendations for further development of the national system of international development assistance in Russia.

From Recipient to Donor

The Soviet Union was actively involved in the international development assistance [1, p. 55–56; 2, p. 115]. Economic crisis, which followed the U.S.S.R. collapse, resulted in Russia's inclusion in the list of aid recipient countries. Since 1990 Russia together with some other Central and East Europe countries and transition economies was included in Part II of the Development Assistance Committee (DAC) list of aid recipient countries.¹ Aid to these countries was recorded separately as official aid (OA) not as official development assistance (ODA).

With successive revisions, recipient countries system on the two-part list became increasingly complex. At the same time, aid to more advanced developing and transition countries declined as they became more prosperous, with several states becoming donors themselves. In 2005 the DAC therefore reverted to a single List of ODA Recipients, abolishing Part II. Russia and countries which joined the European Union in 2004 and 2007 were excluded from the DAC list.² OECD databases don't include aid received by Russia.³ This infor-

mation can be found in the OECD Development Cooperation Reports and the World Bank World Development Indicators database archive (Table 1).⁴

Now Russia is emerging as a “new” donor. This group includes non-DAC OECD members,⁵ new European Union countries which are not members of the OECD, Middle East and OPEC countries, and non-OECD donors that do not belong to any of the previous groups, including Brazil, Russia, India and China (BRICs) [3, p. 12]. Most “new” donors have a long donorship history and many of them have broad experience [4]. According to the OECD in 2008 all new donors' aid flow (USD 12–15 billion) was 10 times smaller than DAC members' ODA (USD 121.5 billion), but the influence of the former is growing.⁶

0,en_2649_34447_37679488_1_1_1_1,00.html (date of access: 18.06.2010).

⁴ See Economy Statistics > Aid > percent of GNI > Russia (historical data) // NationMaster.com. URL: http://www.nationmaster.com/time.php?stat=eco_aid_of_gni-economy-aid-of-gni&country=rs-russia (date of access: 28.07.2010).

⁵ In spite of the Republic of Korea's recent accession to the DAC this country is still called a new donor. See, for example, New Development Partners in Global Development Finance. Key Note Speech by Axel van Trotsenburg // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. URL: http://www.mgdf.ru/eng/press/speeches/keynote_trotsenburg (date of access: 19.06.2010).

⁶ Keynote Speech by Axel van Trotsenburg Vice President for Concessional Finance & Global Partnerships (CFP) // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. URL: http://www.mgdf.ru/files/Van_Trotsenburg_Day1_Panel_1.pdf#page=4 (date of access: 19.06.2010).

¹ See History of DAC Lists of Aid Recipient Countries // Organisation for Economic Cooperation and Development. URL: http://www.oecd.org/document/55/0,3343,en_2649_34447_35832055_1_1_1_1,00.html (date of access: 18.06.2010).

² See DAC List of Aid Recipients used for 2005 and 2006 Flows // Organisation for Economic Cooperation and Development. URL: <http://www.oecd.org/dataoecd/23/34/37954893.pdf> (date of access: 18.06.2010).

³ See Development Database on Aid Activities: CRS online // Organisation for Economic Cooperation and Development. URL: <http://www.oecd.org/document/0/0,234>

Table 1. *Official aid to Russia from the DAC members, international organizations and other countries reporting to the DAC⁷*

Year	OA, USD billion	OA GNI share, percent
1990	0.25	0.05
1991	0.56	0.11
1992	1.94	0.42
1993	2.42	0.56
1994	1.85	0.47
1995	1.6	0.41
1996	1.25	0.33
1997	0.79	0.17
1998	1.08	0.38
1999	1.9	1.07
2000	1.57	0.63
2001	1.11	0.37
2002	1.3	0.38
2003	1.26	0.3
2004	1.31	0.23

Source: Development Co-operation Reports 1997–2005, World Development Indicators database.

Legal System

Russian legislation in the sphere of development assistance is still being developed. The analysis shows that it lacks the majority of terms and notions (including such important as ODA) and some terms have different definitions than the same terms in the DAC documents [5]. Some external aid provision notions can be found in certain by-laws,⁸ regional integration treaties⁹ and strategic concept documents¹⁰.

⁷ Czech Republic, Hungary, Iceland, Republic of Korea, Poland, Slovakia, Turkey, Kuwait, Saudi Arabia, United Arab Emirates, Taiwan, Israel and some others.

⁸ For example, Government Resolution No. 644 of 31 August 2000 On emergency assistance to foreign states.

⁹ For example, Treaty on the Eurasian Economic Community establishment of 10 October 2000, Treaty on the Union State of Russia and Belarus establishment of 8 December 1999.

¹⁰ The Foreign Policy Concept of the Russian Federation, Russia's National Security Strategy through to 2020,

Some terms (humanitarian aid, technical aid) were officially recognized in the legislation on Russia's participation in the international development assistance as a recipient.¹¹

Active formation of the legal basis for Russia's development cooperation was launched in 2005, when in the course of preparation to the next-year G8 Presidency Russia identified the main priorities on development cooperation and pledged to significantly increase financing of external aid. Russian authorities started preparation of a document designed to assure that the federal government uses a systemic approach to Russia's participation in international development assistance.

In November 2006 the Russian Government approved a draft Concept of Russia's Participation in International Development Assistance (Development Assistance Concept). The Concept was endorsed by the Russian President on 14 June 2007 [6]. The Concept defines major goals, objectives, and principles of Russia's international development assistance policy. One of the goals of the Concept adoption was establishment of the national development assistance system. It shows that Russia aims at becoming not just a new donor, but a donor equal to its G8 partners.

The legal framework for the Concept is provided by the Constitution of the Russian Federation, the Russian Foreign Policy Concept, the Russian Security Concept, and the Budget Code of the Russian Federation. It should be noted, that since 2007 some of these documents have been changed and new concept documents have been adopted. The New Foreign Policy Concept of the Russian Federation was adopted on 12 July 2008, Russia's National Security Strategy through to 2020 was approved on 13 May 2009, the Climate Doctrine of the Russian Federation was approved on 17 December 2009, the Russian Federation's Food Security Doctrine was adopted on 1 February 2010. Currently a Program on Efficient and Systematic Use of the Foreign Policy Factors for Long-Term Development of the Russian Federa-

Concept for the Long-Term Social and Economic Development of Russia through 2020.

¹¹ Federal Law of 4 May 1999 No. 95-FZ On aid (assistance) provided to the Russian Federation and amending and updating certain legislative acts of the Russian Federation on taxes and establishing benefits on payments to the state non-budget funds in connection with aid (assistance) provided to the Russian Federation, Government Resolution of 17 September 1999 No. 1046 On approval of registration procedure of projects and programmes of technical aid (assistance), issuing certificates, confirming funds, goods and services' status of technical aid (assistance).

tion is being prepared by order of Russian President.¹²

Thus, Development Assistance Concept should be updated to reflect new priorities of Russian foreign policy (for example, use of foreign policy for national modernization, increase of Latin American countries' significance) and recent developments in other spheres. It can be done by adopting a strategy or state programme on Development Assistance Concept's practical implementation.

Russian executive authorities rarely mention the Development Assistance Concept in their documents. The Federal Service for the Oversight of Consumer Protection and Welfare is apparently the only Russia's executive agency that directly mentions the Concept in its Policy Guidelines for 2009–2010.

Moreover, none of the aforementioned strategic documents contains references to the Development Assistance Concept. However a draft Program on Efficient and Systematic Use of the Foreign Policy Factors for Long-Term Development of the Russian Federation provides for the need of establishment of the Russian agency of international development and an effective national development assistance system.¹³

The Concept is based on the United Nations Charter and other international instruments such as the Millennium Declaration, the Monterrey Consensus, the Johannesburg Plan of Implementation of the World Summit on Sustainable Development, the 2005 World Summit Outcome, the Paris Declaration and other international documents. The international donor community provisions laid out in other international documents should obviously be reflected in the Concept (for example, the Accra Agenda for Action adopted in 2008) as well.

According to the Concept the need and importance of aid assistance can be explained by the following reason:

- dependence of any country on economic conditions of both its immediate neighbors and many far away countries due to economic globalization;

¹² Program on Efficient and Systematic Use of the Foreign Policy Factors for Long-Term Development of the Russian Federation // *Ruski Newsweek*. 11.05.2010. URL: https://www.hse.ru/data/2010/09/27/1223786940/Foreign_policy_for_modernisation_program.doc (date of access: 19.06.2010).

¹³ Program on Efficient and Systematic Use of the Foreign Policy Factors for Long-Term Development of the Russian Federation // *Ruski Newsweek*. 11.05.2010. URL: https://www.hse.ru/data/2010/09/27/1223786940/Foreign_policy_for_modernisation_program.doc (date of access: 19.06.2010).

- influence of sustainable development on global security through reducing threats of the spread of terrorism, infectious diseases, unregulated migration, and environmental disasters.

International development assistance policy according to the Concept is aimed at meeting Russia's economic and political interests by:

- strengthening Russia's international position and credibility;
- stabilizing socioeconomic and political situation in the partner countries;
- establishing a belt of good neighborliness; prevent the occurrence of potential focal points of tension and conflict, primarily in the regions neighboring Russia;
- creating a favorable external environment for Russia's own development.

According to the Deputy Finance Minister of Russia Sergey Storchak "the Concept sets the groundbreaking principle for Russia – a country helps itself by helping neighboring poor countries". Development of poor countries favors an increase of its consumption of goods produced in the donor countries.¹⁴

The Concept outlines procedures and basic principles of establishing a national system of international development assistance to be created in several stages, but it doesn't set timeframes and terms for the stages. According to the Concept establishment of a specialized governmental agency for development assistance and specialized assistance programs should be preceded by the first stage which includes development and approval of a regulatory and legal framework; selection of assistance priorities; creation and adjustment of interactive mechanisms with partner countries and international organizations; development of bilateral and multilateral mechanisms for assistance delivery; establishment of a group of international development assistance stakeholders in Russia; identification of areas and modes of engagement with the business community in the area of development assistance; and implementation and performance assessment of initial assistance programs.

In November 2007 the Russian Government adopted the Plan of Measures to Implement the Concept, which provides for adoption of measures to create legal and institutional basis for Russia's

¹⁴ S. Storchak's statement to the news agencies // Ministry of Finance of Russia. 17.11.2006. URL: <http://www.minfin.ru/ru/press/speech/index.php?pg4=45&id4=3756> (date of access: 19.06.2010).

development assistance.¹⁵ The Plan, to be implemented from 2008 to 2010, includes four main areas: legal regulation, effectiveness and monitoring, management and realization. Analysis of Russian authorities' decisions and actions shows that a lot of concrete initiatives were implemented, but the planned institutional changes haven't been made yet. In particular, the Budget Code amendments are still needed to define the notion of "concessional credit or credit extended on development assistance terms" along with confirming legislatively the formation of an Official Development Assistance Budget.¹⁶ According to the Plan of Measures these amendments should have been done in 2010.

Thus, amendment of the Plan of Measures is required, or a new action plan adoption can be considered for 2012–2014. The plan should include measures in the sphere of development assistance within the preparation to Russian Presidency in G8 in 2014 and Millennium Development Goals (MDGs) summit in 2015.

Russian national programme of International Development Assistance on bilateral basis for 2012–2014 is being prepared by the Intergovernmental Working Group on Russia's Participation in International Development Assistance.¹⁷

Authorities Responsible for Russia's Participation in International Development Assistance

The Concept of Russia's Participation in International Development Assistance mentions the following agencies responsible for development assistance: the President, the Parliament, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Economic Development, the Ministry of Civil Defence, Emergencies and Disaster Relief, the Ministry of Industry and Energy (now reorganized into the Ministry of Industry and Trade and the Ministry of Energy). The Plan of Measures to Implement the Concept adds to the list the Ministry of

Education and Science, the Ministry of Healthcare and Social Development, the Ministry of Natural Resources and Environmental Protection. Other interested agencies can also participate in the activities.

The Russian President Executive Office plays an important role in development assistance and cooperation for development as it supports participation in G8 and G20 forums and preparation of the summit documents. Aide to the President A. Dvorkovich chairs the intergovernmental commission on Russia's participation in G8 and G20.

According to the Concept expenditures on Russia's international development assistance, including the determination of priority countries and regions, political advisability of aid provision, as well as the amount, delivery channels, types and terms of such assistance, are jointly coordinated by the Ministry of Foreign Affairs and the Ministry of Finance in consultation with other federal executive authorities.

Within the Ministry of Foreign Affairs both regional and functional departments (such as, Department of International Organisations) are responsible for different aspects of development assistance.

According to its charter the Department of International Financial Relations, State Debt and State Financial Assets of the Ministry of Finance is responsible for preparation of proposals on official development assistance on multilateral and bilateral basis.¹⁸ In December 2009 this department was divided into the Department of International Financial Relations and the Department of State Debt and State Financial Assets.¹⁹ Thus the Department of International Financial Relations can become the principal body on international development assistance in the Ministry of Finance.

In September 2008 the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation (Rossotrudnichestvo) was established under the jurisdiction of the Ministry of Foreign Affairs. According to its Charter this federal executive body is engaged in facilitation and development of international relations between Russia and the member-states of the Commonwealth of Independent States (CIS) and other states, as well as in the sphere of international humanitarian

¹⁵ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Interview with Interfax News Agency on International Development Assistance, December 22, 2008 // Ministry of Foreign Affairs of Russia. 23.12.2008. URL: http://www.mid.ru/brp_4.nsf/0/A1F31B6576799123-C325752A00256D9B (date of access: 10.12.2010).

¹⁶ Ibid.

¹⁷ Prime Minister Vladimir Putin meets with Farit Mukhametshin, head of the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Cultural Cooperation // Website of the Prime-Minister of Russia. 8.07.2010. URL: <http://premier.gov.ru/eng/events/news/11325/> (date of access: 10.12.2010).

¹⁸ Russian Ministry of Finance Order of 29 July 2005 No. 199 // Ministry of Finance of Russia. URL: <http://minfin.consultant.ru/doc.asp?ID=5714> (date of access: 24.04.2010).

¹⁹ Structure of the Ministry // Ministry of Finance of Russia. URL: <http://www1.minfin.ru/ru/ministry/structure/departments/> (date of access: 24.04.2010).

cooperation. It develops and realizes programmes of aid only for the CIS member states.²⁰ Thus, Rosotrudnichestvo doesn't represent the Russian agency of international development, creation of which is provided for by the Development Assistance Concept.

Now Russia's national programme of development assistance on a bilateral basis is being elaborated by the Interagency working group on Russia's participation in international development assistance.²¹

Development Assistance Volumes

Until recently, Russia's participation in development assistance was quite limited both in scope and types of assistance, mainly for objective reasons. However, Russia continued to take part in humanitarian operations, made regular contributions to international organizations, and agreed to relieve the debt burden for poor countries.

Russia's participation in development assistance depends on country's economic situation, its role in the international relations and taxpayers' attitude to donor activities. The Government underlined that adoption of the Development Assistance Concept itself wouldn't bring automatic increase of budget spending on ODA.²²

Given that the national system of ODA accounting data has not been established the data for certain years from different sources can vary substantially. According to the Russian Government federal budget expenditures for development assistance not including debt relief were USD 97 million.²³ According to the Deputy Finance Minister of Russia D. Pankin in 2003–2005 volume of Russia's aid to developing countries amounted to USD 50–60 million.²⁴ The discrepancies can be

explained by different methodologies used and incompleteness of information.

A major step of national development system creation was participation in the preparation of the Muskoka Accountability report (MAR) – Assessing Action and Results against Development-Related Commitments which was presented to the G8 summit in Canada in 2010. The data collected and analyzed using the OECD methodologies helps assess Russia's contribution to the international development assistance from 2005 to 2009.²⁵ *Table 2* compares data from the MAR and Russian official sources for different years collected by author.

According to the Permanent Representative of Russia at the United Nations Food and Agriculture Organization (FAO) and World Food Program (WFP) Alexey Meshkov Russia committed more than USD 1 billion for development assistance for 2010–2011.²⁶ Head of Rosotrudnichestvo Farit Mukhametshin said that Russia's contribution to international development support programmes in 2010 should be from USD 800 million to 1 billion.²⁷

According to the Russian Government Russia's spending for international development assistance in 2006 was smaller than that of developed countries and some developing countries (China, India).²⁸

In spite of the global economic crisis Russia not only meets its earlier commitments but has also significantly increased expenditures on inter-

²⁵ Assessing action and results against development-related G8 commitments. The Russian Federation contribution // Ministry of Finance of Russia. 21.06.2010. URL: <http://www1.minfin.ru/common/img/uploaded/library/2010/06/Presentation-Eng.doc> (date of access: 02.08.2010).

²⁶ Statement of the Ambassador Extraordinary and Plenipotentiary of Russia in Italy, Permanent Representative of Russia at the United Nations Food and Agriculture Organization and World Food Program A. Meshkov at the Conference 2 of the World Grain Forum "Programs of Food Aid: Problems, Ways and Mechanisms of Increase of Effectiveness in Modern Conditions", St. Petersburg, 7 June 2009 // Ministry of Foreign Affairs of Russia. 7.06.2010. URL: <http://www.mid.ru/ns-dmo.nsf/cfabe4e8ed2f8ad7432569ff003cd1c0/432569f10031eb93c32575ce003cc96d> (date of access: 21.12.2010).

²⁷ Prime Minister Vladimir Putin meets with Farit Mukhametshin, head of the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Cultural Cooperation // Website of the Prime-Minister of Russia. 8.07.2010. URL: <http://premier.gov.ru/eng/events/news/11325/> (date of access: 10.12.2010).

²⁸ Russian Government meeting agenda for 23 November 2006 // PRODEMO. 24.11.2006. URL: http://www.prodemo.ru/_template.html?sec=1171&doc=51799691 (date of access: 19.06.2010).

²⁰ Charter of the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation // Rosotrudnichestvo. URL: <http://rs.gov.ru/node/610> (date of access: 19.06.2010).

²¹ Prime Minister Vladimir Putin meets with Farit Mukhametshin, head of the Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Cultural Cooperation // Website of the Prime-Minister of Russia. 8.07.2010. URL: <http://premier.gov.ru/eng/events/news/11325/> (date of access: 10.12.2010).

²² Russian Government meeting agenda for 23 November 2006 // PRODEMO. 24.11.2006. URL: http://www.prodemo.ru/_template.html?sec=1171&doc=51799691 (date of access: 19.06.2010).

²³ Ibid.

²⁴ D. Pankin's statement to the news agencies // Ministry of Finance of Russia. 22.12.2008. URL: <http://www.minfin.ru/ru/official/index.php?id4=6895> (date of access: 19.06.2010).

Table 2. *Russian ODA, USD million*

		2004	2005	2006	2007	2008	2009
MF and MFA data for different years	ODA	50	97 / 60	100	210	220	800
	GNI	491,382	639,123	827,968	1,072,690	1,371,170	1,282,601
	ODA / GNI, percent	0.01	0.015 / 0.01	0.01	0.02	0.02	0.06
Muskoka accountability report data	ODA	100	101.3	101.8	210.78	220	785.02

Sources: Russian Ministry of Finance (MF), Russian Ministry of Foreign Affairs (MFA), World Bank (GNI data); author's calculation.

national development aid.²⁹ Russian ODA in 2009 was 3.5 times greater than in 2008. Russian Foreign Ministry representatives confirm this substantial increase is due to urgent aid allocation to main partners, especially CIS member states, to help them cope with the economic crisis.

At the same time Russia's ODA as the share of GNI is still very low. According to the Muskoka Accountability Report Russia's ODA/GNI ratio increased from 0.015 percent in 2004 to 0.065 percent in 2009, which is well below the DAC members' levels. According to the OECD estimates Russia will reach 0.07 percent of ODA/GNI in 2010 [7]. The Russian Development Assistance Concept states that "as the necessary socioeconomic conditions are created, Russia will further increase provisions for aid, aiming to steadily move towards the achievement of the UN recommended target: allocation of at least 0.7 percent GDP for purposes of international development assistance".³⁰ It should be noted that, the main international documents on development assistance set the commitment for developed countries to spend 0.7 percent of their gross national income (GNI) on official development assistance (ODA). Thus the Russian

Concept formulates the goal differently from the universally recognized goal.³¹ The Concept doesn't mention the target of 0.15 to 0.20 percent of GNP as ODA to least developed countries as it is set in the Monterrey Consensus on Financing for Development.

Nevertheless, a steady progress in enhancing Russia's assistance is observed over the recent years. In the Russian President's Budget Address on budget policy for 2010–2012 financial provision for the Russia's fulfillment of its international obligations, including development assistance for the poorest countries was set as one of the budget priorities.³² The Budget Address on budget policy for 2007 mentions only Russia's effective participation in international community initiatives to relieve the debt burden on the poorest countries as a further task of budget policy.³³ Budget Address for 2011–2013 doesn't mention development assistance among budget policy priorities.³⁴

Russia's as well as other donors' participation in international development assistance is not

²⁹ Opening Address by Russia's Minister of Finance A.L. Kudrin at the International Conference on New Partnerships in Global Development Finance // Moscow International Conference on New Partnerships in Global Development Finance. 17–18 February 2010. 17.02.2010. URL: http://www.mgdf.ru/eng/press/speeches/opening_kudrin (date of access: 19.06.2010).

³⁰ In the Russian language version of the Russia's Development Assistance Concept the term GNP is mentioned. According to the System of National Accounts 1993 terms GNP and GNI are practically identical. In international development assistance practice both terms are used. See System of National Accounts 1993. Annex I. Changes from the 1968 System of National Accounts. URL: <http://unstats.un.org/unsd/sna1993/tocLev8.asp?L1=22&L2=1> (date of access: 21.12.2010).

³¹ International Development Assistance includes provision of ODA and other measures in the development sphere.

³² Dmitry Medvedev presented the main budget policy outlines for 2010–2012 at a meeting with Government Cabinet members and the chairmen of the Federal Assembly Upper and Lower Houses // Website of the President of Russia. 25.05.2009. URL: <http://archive.kremlin.ru/eng/text/news/2009/05/216782.shtml> (date of access: 10.12.2010).

³³ President Vladimir Putin sent the Federal Assembly his Budget Address on budget policy for 2007 // Website of the President of Russia. 30.05.2006. URL: <http://archive.kremlin.ru/eng/text/news/2006/05/106201.shtml> (date of access: 10.12.2010).

³⁴ Budget Address on budget policy for 2011–2013 // Website of the President of Russia. 29.06.2010. URL: <http://kremlin.ru/acts/8192> (date of access: 19.10.2010).

limited to ODA provision and also includes foreign direct investments and remittances.³⁵

Russia's Participation in International Organizations and Multilateral Institutions

Russia is a member of many major international organizations and institutions engaged in development assistance (UN system, Bretton Woods institutions, G8, G20).

The Development Assistance Concept emphasizes Russia's participation in international organizations. Over the course of establishment of the national development assistance system: "Russia will provide international development assistance mainly on a multilateral basis, that is by making voluntary and earmarked contributions to the international financial and economic institutions, first of all, to United Nations programs, funds, and specialized agencies, regional economic commissions and other organizations participating in development programs; by participating in global funds; and by implementing special international initiatives of the Group of Eight, the World Bank, IMF, and UN agencies".

Expanding multilateral development assistance, Russia uses its advantages such as availability of well-established aid delivery mechanisms and additional coordination and harmonization opportunities provided by international organizations, as well as financial monitoring systems, and technical capacity/expertise and knowledge.³⁶

According to the OECD estimates in 2008 Russia's contribution to the main international organizations engaged in the development assistance was USD 117 million. 67 percent (USD 78.4 million) was allocated to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), 16.7 percent (19.5 million) – to the International Development Association (IDA) and 12.8 percent (15 million) – to the World Food Program (WFP) [8].

³⁵ Thalwitz M. Shared Global Efforts for a Common Global Challenge. Remarks to Conference Emerging Donors in the Global Development Community // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. 17.02.2010. URL: http://www.mgdf.ru/files/G8EmergingDonors_Margret-Speech.pdf (date of access: 19.06.2010).

³⁶ Opening Address by Russia's Minister of Finance A.L. Kudrin at the International Conference on New Partnerships in Global Development Finance // Moscow International Conference on New Partnerships in Global Development Finance. 17–18 February 2010. 17.02.2010. URL: http://www.mgdf.ru/eng/press/speeches/opening_kudrin (date of access: 19.06.2010).

Such concentration of multilateral aid allocation to small number of international organizations, is observed in other emerging donor's activities. For example, Inter-American Development Bank accounts for almost 94 percent of Argentina's contributions to major international development institutions, 77 percent of Chile's and 60 percent of Mexico's, WFP accounts for almost 94 percent of Saudi Arabia's contributions and 70 percent of India's, IDA accounts for almost 70 percent Brazil's contributions, 48 percent of the South Africa's and 44 percent of Kuwait's [8]. Multilateral aid of the OECD member-states is allocated much more evenly [9].

Russia's membership in the G8 and development commitments made in the forum were among the main reasons for expanding its participation in development assistance. The experience of Russia's G8 partners was useful in elaboration of the Development Assistance Concept. Substantial strengthening of development assistance efforts by Russia's G8 partners has become an important factor directly influencing the federal government activities in this area.

Russian G8 Presidency in 2006 became a major landmark in its national development assistance system creation when the main priorities on development cooperation were identified and a significant increase of external aid financing was pledged.

On 6–7 April 2006 the international conference "Emerging Donors in the Global Development Community" was convened in Moscow under the auspices of Russia's G8 Presidency. The aim of the conference was to recognize the importance and growing contribution to global development by non-traditional and "(re)emerging" donor countries. Impressive success in achieving domestic development goals has allowed a growing number of developing and transition economies to look into disseminating their development experience beyond their national borders and to share their knowledge with other developing partner countries seeking to advance their own economic and social development objectives. The conference also aimed at promoting understanding of various approaches to development, with a view of enhancing the effectiveness and complementarity of the efforts of all donors, traditional and emerging.³⁷

Specific commitments, including in the development sphere, were made at the St. Petersburg

³⁷ Russia G8 Emerging Donors 2006 Conference // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. 17.02.2010. URL: <http://www.mgdf.ru/eng/donors2006> (date of access: 19.10.2010).

G8 summit. The summit documents reflected G8 members' intention to allocate considerable funds for development assistance, first of all for health assistance. USD 24.7 billion was pledged over different periods of time (from 1 to 20 years). USD 21.6 billion was pledged for fight with infectious diseases, USD 1 billion for health systems development in the developing countries, USD 0.5 billion for avian influenza and preparedness for a possible pandemic influenza. USD 1.3 billion was intended for the Global Fund to Fight AIDS, Tuberculosis and Malaria, USD 0.2 billion – for other international institutions and mechanisms (Global Polio Eradication Initiative, Global Alliance for Vaccines and Immunization, African AIDS Vaccine Programme and others) [10].

To enhance international capacity to counter the spread of the viruses Russia proposed to establish the World Health Organization Collaborating Centre on Influenza for Eurasia and Central Asia.³⁸ Russian Presidency proposed to establish a regional coordination mechanism to promote HIV vaccine development in the countries of Eastern Europe and Central Asia.³⁹

Russia is a not member of the OECD, though all G8 members are members of the OECD and its DAC. Thus, Russia, like Brazil, China, India and South Africa does not report the aid flows to the DAC, though these countries have increasingly important development co-operation programmes [8]. The Russian Government admits that the absence of the data on Russia's ODA expenditures in the OECD statistical data doesn't strengthen the credibility of Russia in the international community. It is important for Russia not only to increase efforts on ODA and other development finance provision, but get official recognition of these expenditures by the international community. Hence, Russia's ODA expenditures need to be reflected in the international statistics published by the OECD DAC.

The Russian authorities declared that they intended to begin reporting aid to the DAC once there was the necessary capacity to do so. [8, p. 138] and support that other emerging donors start reporting on a voluntary basis information on annual total disbursements of gross and net ODA.⁴⁰

³⁸ Fight Against Infectious Diseases // G8 Information Centre. 16.07.2006. URL: <http://www.g8.utoronto.ca/summit/2006stpetersburg/infdis.html> (date of access: 19.10.2010).

³⁹ Ibid.

⁴⁰ Emerging Donors in the Global Development Community. Joint Chairs' Statement // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. URL: <http://www.mgdf.ru/>

At the Conference "New Partnerships in Global Development Finance" in 2010 Russia proposed to other new development partners that they "join together and ask the OECD DAC to work with us in a special group that will focus initially on building capacity for aid statistics and reporting, and other aid management concerns". In addition, it was proposed that the new development partners observed and learned from the DAC peer review process.⁴¹

Several international organizations are engaged in strengthening of institutional capacity of Russian Government agencies involved in international development assistance. For example, United Nations Development Program implements a project aimed at improving institutional capacity of Russian agencies by making available international best practices in aid administration.⁴²

The World Bank and the UK Department for International Development together with the Russian Ministry of Finance initiated a technical assistance program "Russia as a Donor Initiative (RDI)" which should strengthen capacity of Russian Ministries and agencies in the area of international aid.⁴³

European Bank for Reconstruction and Development (EBRD) funds projects on infrastructure development in Russia and together with the Russian Government carries out projects under the Northern Dimension Environmental Partnership (NDEP).⁴⁴ According to the EBRD representatives Russia could more actively participate in its activities, for example, in the Early Transition Countries Initiative,⁴⁵ or using EBRD resources for development assistance in the Western Balkans and Central Asia.⁴⁶

[files/G8_Emerging_donors_JointChairStatement.pdf](#) (date of access: 19.06.2010).

⁴¹ Chairman's Summary – The Moscow Process // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. 18.02.2010. URL: http://www.mgdf.ru/eng/press/speeches/chairmans_summary (date of access: 19.10.2010).

⁴² Support to Russia's Effective Participation in the International ODA Architecture // UNDP in the Russian Federation. URL: <http://www.undp.ru/index.php?iso=RU&lid=1&pid=39> (date of access: 19.10.2010).

⁴³ Russia Cares: the First Session of World Bank – DFID Program Advisory Council "Russia as a Donor Initiative (RDI)" // The World Bank. 14.05.2009. URL: go.worldbank.org/O3TNN7YRR0 (date of access: 19.10.2010).

⁴⁴ See Northern Dimension Environmental Partnership web-site. URL: <http://www.ndep.org> (date of access: 19.10.2010).

⁴⁵ See European Bank for Reconstruction and Development web-site. URL: <http://www.ebrd.com/pages/about/where/etc.shtml> (date of access: 19.10.2010).

⁴⁶ Zettelmeyer J. The EBRD's approach to economic development and the role of new development partners // New Partnerships in Global Development Finance. Mos-

Russia (especially Russian private sector) still receives resources from several international development institutions.

Russia is the largest recipient of the European Bank for Reconstruction and Development (EBRD) finance. From 1991 to 2008 the EBRD allocated USD 11.7 billion (27 percent of all its allocations for the period) to Russian economic agents. In 2008 31.5 percent of EBRD finance was allocated to Russia [11, p. 95].

The International Finance Corporation (IFC) invested USD 2 billion in Russia, targeted towards business sectors and regions most in need. The IFC is drawing in other investors to counter the economic crisis through creation of new facilities for trade finance, microfinance, bank capitalization, infrastructure, and restructured business debt. Some of these ventures are being customized to assist Russia's recovery and future growth.⁴⁷

Instruments and Principles of Assistance Provision

The Development Assistance Concept states that "the governments of developing countries must shoulder primary responsibility for overcoming poverty and underdevelopment of their nations" but "a radical improvement of socioeconomic conditions in these countries will be possible only if the international community takes resolute and concerted action to facilitate their development". Thus Russia recognizes and shares one the main principles of development assistance effectiveness enhancement – country ownership of developing countries which should take stronger leadership of their own development policies and be engaged in shaping those policies [12].

According to the Russian authorities the absence of a systemic approach in using federal budget funds for purposes of development assistance makes it difficult to bring in the desired economic and social outcomes in the recipient countries or create political and economic benefits for Russia. Russia's policy in international development assistance is based on a weighted balance

between the objectives of such policy and the capacity for their attainment. The recipient countries must demonstrate their interest in a consistent development of bilateral cooperation with Russia.

A set of instruments Russia uses for external aid allocation has been gradually increasing. Over the last few years, Russia mostly contributed to development assistance by writing off debts under loans lent by the former Soviet Union, for example, within the framework of the Heavily Indebted Poor Countries Initiative. Currently it is focusing on assistance in the form of grants to international funds and programs of international development assistance, and aims to establish and develop a national system of instruments to provide such assistance on a bilateral basis.

The draft Development Assistance Concept provided for a national system that rests on the DAC principles. The adopted Development Assistance Concept refers to the DAC principles but some definitions have different meaning. The Concept does not mention other official flows (transactions by the official sector with countries on the List of Aid Recipients which do not meet the conditions for eligibility as ODA or OA), which are still used by the government agencies.⁴⁸

The instruments listed in the Concept include the provision of international development assistance on a trilateral basis, involving the use of financial and logistic capacity of the "traditional" donor countries and international organizations through already existing or newly created trust funds of the World Bank, United Nations, UN specialized agencies, and other institutions. In that case Russia will have the right to select recipient countries and areas of assistance and will be able to use Russian technical assistance specialists. In the OECD documents "triangular cooperation" means support given by an OECD donor to the transfer of knowledge and experience from one developing country (often a middle-income country) to another.⁴⁹ This assistance is accounted as bilateral aid. Probably, assistance on a trilateral basis partly coincided with a term "multi-bilateral activities", used by the OECD.⁵⁰

cow International Conference. February 17–18 2010. URL: http://www.mgdf.ru/files/Zettelmeyer_-_panel_2_Day_1.pdf (date of access: 19.06.2010).

⁴⁷ Welcoming remarks for Moscow International Conference on "New Partnerships in Global Development Finance" by Robert B. Zoellick, President of the World Bank Group // Moscow International Conference on New Partnerships in Global Development Finance. 17–18 February 2010. 17.02.2010. URL: http://www.mgdf.ru/eng/press/speeches/opening_zoellick (date of access: 19.06.2010).

⁴⁸ Russian Government meeting agenda for 23 November 2006 // PRODEMO. 24.11.2006. URL: http://www.prodemo.ru/_template.html?sec=1171&doc=51799691 (date of access: 19.06.2010).

⁴⁹ Aid effectiveness lexicon // The Aid Effectiveness Portal. URL: <http://www.aideffectiveness.org/Tools-Definitions-AE-portal-lexicon.html> (date of access: 19.06.2010).

⁵⁰ See, for example DAC Peer Review. Luxembourg. Paris: OECD, 2003. URL: http://www.oecd.org/document/t/28/0,3343,en_2649_34603_2502876_1_1_1_1,00.html (date of access: 19.06.2010).

The Concept for the Long-Term Social and Economic Development of Russia through 2020 approved on 17 November 2008 states that the Russian participants of external economic activity would be supported by tied loans and international development aid mechanisms for Russian goods and services promotion in the developing countries markets. The Concept for the Long-Term Social and Economic Development also provides for elaboration of a system of incentives, including financial, for foreign citizens study in the Russian institutes of higher education and exchange programs promotion for the development of economic ties with the countries participating in the joint educational programmes [13].

The importance of the emerging donors is caused not only by the additional resources they grant, but also by the experience of their own successful economic development and experience as recipients of development assistance, which they can share with the partner-countries. At the same time a diversity of experiences and practical activities of many new donors requires an effective system of coordination and defining a balance between coordinated multilateral and bilateral assistance.⁵¹ Use of traditional ODA instruments as well as innovative financing instruments by the new donors should be welcome. According to the Russian Ministry of Foreign Affairs Russia regards innovative approaches to development financing as one of the priorities for international aid architecture strengthening.⁵² However, so far use of innovative approaches by Russia is limited.

Spheres of Development Assistance

Current priorities of Russia's development assistance have been mainly formulated under the influence of Russian G8 Presidency in 2006. Energy, health and education have been put forward. These priorities and the OECD recommendations on higher concentration on limited development areas have been taken into account in the Concept of Russia's Participation in International De-

velopment Assistance. Some government representatives emphasize a priority of energy sphere "because normal development of health and education without access to energy is impossible".⁵³

Cooperation for development is pursued by Russia also in such spheres as good governance. For example the Federal Service for Fiscal Monitoring (Rosfinmonitoring) helps several countries of the Commonwealth of Independent States to develop fiscal monitoring systems.⁵⁴

Debt relief

Over the last few years, Russia mostly contributed by writing off debts of the developing countries, for example, within the framework of the Heavily Indebted Poor Countries Initiative. Given the limited resources and large debts under loans lent by the former Soviet Union, debt relief has been and continues to be one of the important areas of Russia's development assistance.

In 2003 Russian President said that Russia ranked first in the share of developing countries' debt relief to its GDP. In absolute value Russia ranked third after Japan and France.⁵⁵

At the G8 Gleneagles summit in 2006 Russia "committed to cancel USD 11.3 billion worth of debts owed by African countries, including USD 2.2 billion of debt relief to the HIPC Initiative.

In December 2006 the Russian Government decided to write off debts of debtors – participants of the Heavily Indebted Poor Countries Initiative that, reached the completion point before 31 December 2006.

As of 2007 6 eligible African countries responded that they are interested in this offer. These countries have some positive results in poverty reduction. They are Benin (debt owing to Russia – 11.75 million), Zambia (112.2 million), Madagascar (102.45 million), Mozambique (148.6 million), Tanzania (20.68 million), Ethiopia (162.8 million).

This scheme of debt relief provides for use of loan for development financing. Russia and a partner-country agree on the procedures of effective released funds usage. These funds can be used for the implementation of the projects in Russian

⁵¹ Emerging Donors in the Global Development Community. Agenda // New Partnerships in Global Development Finance. Moscow International Conference. February 17–18 2010. URL: http://www.mgdf.ru/files/G8_Emerging_donors_Agenda.pdf (date of access: 19.10.2010).

⁵² On the outcomes of the Development Cooperation Forum of ECOSOC, the official web site of the Ministry of Foreign Affairs of Russia, 2 July 2010. http://www.mid.ru/brp_4.nsf/0/A63EEA2FA4411851C325775400480D9A.

⁵³ "A science of help". Interview of S. Storchak to Vremya Novostei newspaper // Ministry of Finance of Russia. 02.04.2007. URL: <http://www.minfin.ru/ru/press/interview/index.php?id4=48> (date of access: 19.06.2010).

⁵⁴ Ibid.

⁵⁵ Speech at an official dinner in the name of Lord Mayor of the City of London // Website of the President of Russia. 25.06.2003. URL: <http://archive.kremlin.ru/text/appears/2003/06/47770.shtml> (date of access: 19.10.2010).

priority areas.⁵⁶ Russia also participates in debt relief activities carried out by the Paris Club.

Precise information on debt relief is not available. In July 2008 Russian President said that “recently, we have written off debts, especially to African states and several others, that amount to about USD 16 billion”.⁵⁷

The report on results and main directions of the Ministry of Finance activities for 2010–2012 states that loans were issued by the U.S.S.R. on the assumption of political interests, on favourable terms and without analyzing debtors’ capabilities to fully satisfy the debt conditions. The majority of the U.S.S.R. debtors are less developed countries. According to the Ministry of Finance as of 1 January 2009 11 countries (including 1 CIS country) have unsettled debt commitments owing to Russia. The Government aims at decreasing the number of debtors with unsettled U.S.S.R. debt commitments to one country in 2012. The conditions of debts adjustment are not disclosed [14].

Energy

Russian initiative to help develop energy infrastructure in rural areas of African countries was supported by other G8 members and is now realized through the participation in the “Global Village Energy Partnership”. Building of mini-power plants, mini-hydroelectric power plants, power lines for electric energy access in remote regions of African countries is carried out under this programme. Russia plans to contribute about USD 30 million to this programme over four years starting from 2007.⁵⁸

Education

In October 2008 Russia Education Aid for Development (READ) Trust Fund was established. It is a joint project of the Russian Government and the World Bank, aimed at enhancing Russia’s role as a new donor in the sphere of education. The main aim of the programme is increasing of education quality in the low-income countries. 7 coun-

tries (4 from Africa, 2 from Central Asia and 1 from South-East Asia) have been selected. The Trust Fund money (USD 32 million) will be allocated during 5 years [15].

Another way of development assistance in the sphere of education is foreign students’ education at the expense of the Russian federal budget. According to different sources 8942⁵⁹ or 9091⁶⁰ scholarships were granted to students from 161 states in 2009 (an increase from 2008). According to the Government decision made in 2008 a number of foreign citizens and compatriots studying with support of funding from the federal budget in federal state educational institutions of higher and professional education can not exceed 10 thousand people.⁶¹

Russia continues to meet the pledges on support of the Education for All programme (*Table 3*).

Health

According to the Federal Service for the Oversight of Consumer Protection and Welfare (Rospotrebnadzor) in 2000–2005 overall Russian contribution to the global health issues resolution amounted to USD 52.93 million, including contribution to relevant international organizations, in 2006 the annual amount was USD 29.85 million, which was followed by a four times increase in 2007 and 2008 (about USD 120 million in 2007 and more than USD 150 million in 2008).⁶² The Volume of the Russian ODA in the health sphere, cited in the Muskoka accountability report is slightly lower (2006 – USD 20.35 million, 2007 – USD 102.17 mil-

⁵⁹ Speech of the deputy head of the Federal Service for Supervision in Education and Science A. Rozhdestvensky // Information-analytical system Russian education for foreign citizens. 19.11.2009. URL: <http://russia.edu.ru/information/analit/official/prorektor/3961/> (date of access 19.10.2010).

⁶⁰ Speech of the Foreign Ministry’s focal point for the Alliance of Civilizations, Ambassador-at-Large K. Shuvalov at the Third Forum of the Alliance of Civilizations, Rio de Janeiro, 28 May 2010 // Ministry of Foreign Affairs of Russia. 01.06.2010. URL: http://www.mid.ru/brp_4.nsf/0/B5FAA5D1A0DE5F82C3257735002A74F9 (date of access: 19.10.2010).

⁶¹ Government Resolution of 25 August 2008 No. 638 On cooperation with foreign countries in the sphere of education // Website of the Russian Government. URL: <http://government.ru/gov/results/893/> (date of access: 21.09.2010).

⁶² Special session Progress in implementation of the G8 initiatives in the sphere of fight with infectious diseases and health systems strengthening // Website of the Federal Service for the Oversight of Consumer Protection and Welfare. 30.10.2009. URL: http://www.rospotrebnadzor.ru/press_center/publication/11661/ (date of access: 14.09.2010).

⁵⁶ “A science of help”. Interview of S. Storchak to Vremya Novostei newspaper // Ministry of Finance of Russia. 02.04.2007. URL: <http://www.minfin.ru/ru/press/interview/index.php?id4=48> (date of access: 19.06.2010).

⁵⁷ Interview with Japanese Media // Website of the President of Russia. 03.07.2008. URL: http://archive.kremlin.ru/eng/speeches/2008/07/03/1900_type82916_203527.shtml (date of access: 19.06.2010).

⁵⁸ A. Bokarev’s statement to the information agencies // Ministry of Finance of Russia. 28.01.2009. URL: <http://www1.minfin.ru/ru/press/speech/index.php?id4=7018> (date of access: 19.06.2010).

Table 3. *Funds allocated by Russia to the Education for All Programme Fast Track Initiative budget*

		2006	2007	2008	2009	2010	2011
		Disbursed				Committed	
Catalytic Fund	Russia's contribution, million \$	1	2	1	2	2	2
	all donors contribution (19), million \$	439.4	417.7	373.1	238.2	231.5	48.2
	Russia's share, percent	0.2	0.5	0.3	0.8	0.9	4.1
Education Program Development Fund	Russia's contribution, million \$		1.2	2			
	all donors contribution (12), million \$		24.7	18.8	8.1		
	Russia's share, percent		4.9	10.6			

Source: Education for All Fast Track Initiative.

lion, 2008 – USD 110.29 million, 2009 – USD 90.72 million). The Rospotrebnadzor has obviously included other expenditures, which do not fall under the ODA definition.

In 2006 Russia decided to terminate its recipient status and compensate the Global Fund to Fight AIDS, TB, and Malaria (Global Fund) the USD 217 million that the programme had previously allocated for its work in Russia.⁶³ Russia committed to fund on the national basis all major projects on HIV/AIDS prevention, carried out by Russian non-governmental organizations (NGO).⁶⁴ Thus the economized funds could be used for assistance to other countries.⁶⁵ The Russian authorities value the collaboration within the Global Fund, noting that its “experience is one of the most successful”.⁶⁶

⁶³ Executive Order No. 1740-r of 15 December 2006 // Website of the Russian Government. 15.12.2006. URL: <http://government.consultant.ru/page.aspx?8411;893651> (date of access: 14.09.2010).

⁶⁴ A Forum of Hope. Third Conference on HIV/AIDS in the Eastern Europe and Central Asia opened in Moscow Rossiyskaya Gazeta – Federal issue No. 5028 (204) of 28 October 2009. URL: http://www.rospotrebnadzor.ru/press_center/publication/11597/ (date of access: 19.06.2010).

⁶⁵ D. Pankin's statement to the news agencies // Ministry of Finance of Russia. 22.12.2008. URL: <http://www.minfin.ru/ru/official/index.php?id4=6895> (date of access: 19.06.2010).

⁶⁶ “A science of help”. Interview of S. Storchak to Vremya Novostei newspaper // Ministry of Finance of Russia.

Since 2004 the Global Fund granted to the four NGOs, engaged in the health issues (three of them are Russian NGOs and one is a Russian office of the international NGO) almost USD 345.8 million. According to the agreements on the projects in Russia the Fund will pay additional 13.2 million before the end of 2011. As of 30 November 2010 Russian contribution to the Global Fund amounted to USD 257 million.⁶⁷ So far the funds received exceed the funds disbursed to the Global Fund (Table 4). On 12 October 2010 the Russian Government decided to allocate USD 20 million per year since 2011 to 2013 to the Global Fund.⁶⁸

Thus Russia can not be considered as a net donor of the Global Fund. Additional efforts are needed for transfer to national financing of the Russian NGOs engaged in the health sphere.

02.04.2007. URL: <http://www.minfin.ru/ru/press/interview/index.php?id4=48> (date of access: 19.06.2010).

⁶⁷ Deputy Foreign Minister Alexander Yakovenko Meets with Executive Director of Global Fund to Fight AIDS, Tuberculosis and Malaria // Ministry of Foreign Affairs of Russia. 13.09.2010. URL: http://www.mid.ru/brp_4.nsf/0/996CB73FE7AF5D09C325779D005A5D3D (date of access: 19.12.2010).

⁶⁸ Executive Order No. 1740-r of 12 October 2010 // Government of Russia. 12.10. 2010. URL: <http://government.ru/gov/results/12598/> (date of Access: 21 December 2010).

Table 4. *Funds allocated by the Global Fund for projects in Russia and Russia's contribution to the Global Fund, million \$*

	2001–2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Received by Russia			12.7	29.2	57.4	81.5	75.4	61.5	28.1	345.8
Contributed by Russia	1	4	5	10	10	85.7	78.4	57.4	5.5	257

Source: The Global Fund to Fight AIDS, Tuberculosis and Malaria Disbursements on 14 September 2010, The Global Fund to Fight AIDS, Tuberculosis and Malaria Contributions to Date 30 November 2010.

Russia provides technical assistance to the CIS countries in establishing national systems for monitoring infectious diseases. Russia's aggregate contribution to these projects reached USD 28 million in the past few years. In 2010 another USD 5 million will be provided.⁶⁹ According to the Russian Prime-Minister Russia's contribution to public health services worldwide from 2006 to 2011 will be over USD 430 million.⁷⁰ Payments to the Global Fund constitute more than half of this sum.

Food aid and agriculture development

A record grain output in recent years let Russia substantially increase its contribution to food security enhancement and achievement of the first Millennium Development Goal – to halve the proportion of people who suffer from hunger.

According to the Permanent Representative of Russia at the United Nations Food and Agriculture Organization (FAO) and World Food Program (WFP) Alexey Meshkov since January 2008 to June 2009 Russia allocated USD 73 million for overcoming the consequences of the food crisis and ensuring food security, including emergency aid programmes.⁷¹

⁶⁹ Prime Minister Vladimir Putin addresses the 60th session of the WHO Regional Committee for Europe // Website of the Russian Government. 13.09.2010. URL: <http://premier.gov.ru/eng/events/news/12158/> (date of access: 19.10.2010).

⁷⁰ Ibid.

⁷¹ Statement of the Ambassador Extraordinary and Plenipotentiary of Russia in Italy, Permanent Representative of Russia at the United Nations Food and Agriculture Organization and World Food Program A. Meshkov at the Conference 2 of the World Grain Forum "Programs of Food Aid: Problems, Ways and Mechanisms of Increase of Effectiveness in Modern Conditions", St. Petersburg, 7 June 2009 // Ministry of Foreign Affairs of Russia. 7.06.2010. URL: <http://www.mid.ru/ns-dmo.nsf/cfabe4e8ed2f8ad7432569ff003cd1c0/432569f10031eb93c32575ce003cc96d> (date of access: 21.12.2010).

World Food Program of the United Nations is the main Russia's partner in food aid allocation. The partnership started in 2002 when the Memorandum of Understanding between the Ministry of Civil Defence, Emergencies and Disaster Relief of Russia (EMERCOM) and the WFP was signed.⁷² In 2003 Russia made a first voluntary contribution to the WFP and in 2005 became a permanent donor of the organization. Russia's annual contributions to the WFP have been growing, their share has been increasing (Table 5), although it is still low compared to the other G8 members (in 2009 Russia outran France). More than 106 thousand tons of food was delivered for the money allocated by Russia since 2005.⁷³

The main recipients of Russian food aid are the CIS countries (Armenia, Kyrgyzstan, Tajikistan) and the Eurasian region adjacent to Russia (DPRK and Afghanistan). Assistance is also provided to some African states (Angola, Guinea, Ethiopia, Zimbabwe) and Latin America (Cuba).⁷⁴

Apart from a regular contribution to the WFP, Russia provided through the Program one-off food aid deliveries. Thus, in 2008 Russia provided such aid worth USD 3.5 million in total to Bangladesh, Guinea and Zimbabwe.⁷⁵ Given these one-time

⁷² Annual memorandum about the mutual understanding between EMERCOM of Russia and the World Trade UNO program was signed // Website of Ministry of Civil Defence, Emergencies and Disaster Relief of Russia. 04.03.2010. URL: http://www.mchs.gov.ru/news/detail.php?ID=30790&lang=eng&sphrase_id=774801 (date of access: 19.06.2010).

⁷³ Ibid.

⁷⁴ Visit to Russia by Josette Sheeran, Executive Director of the United Nations World Food Program (WFP) // Ministry of Foreign Affairs of Russia. 09.03.2010. URL: http://www.mid.ru/brp_4.nsf/0/0117AE9F6491BA0FC32576E2004C883C (date of access: 19.06.2010).

⁷⁵ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Interview with Interfax News Agency on International Development Assistance, December 22, 2008 // Ministry of Foreign Affairs of Russia. 23.12.2008. URL: http://www.mid.ru/brp_4.nsf/0/A1F31B6576799123-C325752A00256D9B (date of access: 10.12.2010).

Table 5. *Russia's contributions to the World Food Programme, million USD*

	2003	2004	2005	2006	2007	2008	2009	2010
All donors' contributions	2,555.1	2,242	2,718.2	2,698.9	2,714.7	5,045.5	4,021.3	3,589.9
Russia's contributions	11	0	11	11	15	15	26.8	29.2
Russia's share, percent	0.4	0	0.4	0.4	0.6	0.3	0.7	0.8

Source: Government Donors Contributions to WFP: Comparative Figures 2005-2010 as of 12 December 2010.

emergency donations Russian donor contribution reached about USD 30 million in 2009.⁷⁶

Russian food aid delivery is concentrated on a small number of countries. Since 2005 Tajikistan on a regular basis has been included in the list of recipients of Russian humanitarian assistance (2005 – USD 6 million, 2006 – USD 2 million, 2007 – USD 3 million, 2008 – USD 2 million). In 2009 Russia increased its annual donor contribution to the Program's fund to USD 15 million, of which Tajikistan got USD 5 million in aid.⁷⁷ In coordination with the WFP Russian 2010 annual contribution will be allocated as follows: Tajikistan – USD 5.5 million, Afghanistan – USD 5 million, Armenia – USD 2.5 million, the Democratic Republic of the Congo – USD 2 million, and Kyrgyzstan – USD 5 million. A further USD 10 million is set aside for one-time emergency operations this year. Within this amount, an allocation of USD 4.2 million in food aid to Haiti is planned.⁷⁸ In 2010 Palestine received humanitarian assistance in the form of food supplies.⁷⁹

⁷⁶ Briefing by Russian MFA Spokesman Andrei Nesterenko, March 4, 2010 // Ministry of Foreign Affairs of Russia. 04.03.2010. URL: http://www.mid.ru/brp_4.nsf/0/CA3323DDB0F4C597C32576DF0026EEA1 (date of access: 19.06.2010).

⁷⁷ Briefing by Russian MFA Spokesman Andrei Nesterenko, January 15, 2010 // Ministry of Foreign Affairs of Russia. 15.01.2010. URL: http://www.mid.ru/brp_4.nsf/0/7551B45A1E61D1CFC32576B1002C8056 (date of access: 19.06.2010).

⁷⁸ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Interview on Russia's Activities Within the Framework of the United Nations World Food Program, Interfax, March 3, 2010 // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/brp_4.nsf/0/6F2EFDE405124913C32576DC004CE089 (date of access: 19.10.2010).

⁷⁹ Russia will deliver nearly 10 000 tons of wheat flour to Palestine as part of international humanitarian operation // Website of Ministry of Civil Defence, Emergencies and Disaster Relief of Russia. 10.03.2010. URL: http://www.mchs.gov.ru/news/detail.php?ID=30875&lang=eng&sphrase_id=776221 (date of access: 19.10.2010).

According to the Overseas Development Institute in 2002–2004 35 percent of Russian humanitarian assistance was allocated in the form of food aid. In India for the same period it was 43 percent, in the South Africa – 59 percent, in the South Korea – 24 percent [16].

Russian Presidency in the Executive council of the WFP in 2009 was a landmark in the Russia-WFP partnership. WFP Executive Director Josette Sheeran appreciated highly the reforms initiated by Russian Presidency including assistance operations diversification and an increase in the number of donors up to 100 countries.⁸⁰

Russia is also engaged in the WFP infrastructure development. EMERCOM Russia supports logistics functions carried out by the WFP for the entire UN system. In 2008 a standby agreement on Russian aviation assignment in cases of emergency was adopted.⁸¹ Possibility of Russia's aviation system 'Global Reach' use by the WFP is being studied.⁸²

WFP expressed interest in exploring the issue of stockpiling humanitarian supplies on Russian territory as well as Russian products in regional WFP warehouses, including the central logistics base in Brindisi (Italy). Creation of joint warehouses in the CIS countries and other territories is planned.⁸³

⁸⁰ Hunger is approaching // International Affairs. 05.03.2010. URL: <http://www.interaffairs.ru/argp.php?pg=198> (date of access: 19.06.2010).

⁸¹ Ibid.

⁸² Visit to Russia by Josette Sheeran, Executive Director of the United Nations World Food Program (WFP) // Ministry of Foreign Affairs of Russia. 09.03.2010. URL: http://www.mid.ru/brp_4.nsf/0/0117AE9F6491BA0FC32576E2004C883C (date of access: 19.06.2010).

⁸³ Russian Deputy Minister of Foreign Affairs Alexander Yakovenko Interview on Russia's Activities Within the Framework of the United Nations World Food Program, Interfax, March 3, 2010 // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/brp_4.nsf/0/6F2EFDE405124913C32576DC004CE089 (date of access: 19.10.2010).

It should be noted, that humanitarian food supplies are regarded by the Russian authorities as one of the measures to support Russian grain exporters.⁸⁴ In April 2009 the Russian Government decided to contribute USD 9.3 million and USD 10.7 million to the WFP and the International Civil Defence Organisation respectively. It was emphasized that these targeted “tied” contributions will be used to purchase wheat and flour in Russia and pay to Russian organizations for their delivery. Thereby the Russian Government aimed to resolve the problem of wheat surplus in the domestic market, support national agriculture producers, processing industry and carrier companies.⁸⁵

On 5 August 2010, the Russian Government established a temporary ban from 15 August 2010 to 31 December 2010 on the export of wheat, meslin, barley, rye, maize and wheat and wheat-and-rye flour from Russia.⁸⁶ On 20 October 2010, the ban for afore-mentioned goods except flour was prolonged to 30 June 2011.⁸⁷ According to Government officials this policy is aimed at balancing the interests of domestic grain producers and processors and animal farmers, and at stabilising the market.⁸⁸ According to the Government resolution No. 654 of 30 August 2010 the ban doesn't apply to goods exported from Russia for humanitarian aid purposes and commitments of the state under Russia's international agreements.⁸⁹

⁸⁴ Minister of Foreign Affairs Sergey Lavrov's Response to Questions from Members of the Federation Council of the Federal Assembly of the Russian Federation, Moscow, May 13, 2010 // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/brp_4.nsf/0/4D509367CD379183C32577280039C6B9 (date of access: 19.10.2010).

⁸⁵ Russia will contribute USD 9.3 million to the UN World Food Programme and USD 10.7 million to the International Civil Defence Organisation for humanitarian assistance provision // PRIME-TASS. 24.04.2009. URL: <http://www.prime-tass.ru/news/0/percent7B3A679320-5960-468C-808B-F8552B984EE7percent7D.uif> (date of access: 19.12.2010).

⁸⁶ Prime Minister Vladimir Putin signs resolution No. 599 of August 5, 2010, On the Introduction of a Temporary Ban on the Export of Some Agricultural Products from the Russian Federation, Government of Russia 5 August 2010. Date of Access: 3 November 2010. <http://government.ru/eng/smi/messages/11634/>.

⁸⁷ Government Resolution No. 853 of 20 October 2010, Government of Russia 20 October 2010. Date of Access: 3 November 2010. <http://government.consultant.ru/page.aspx?8411;1296286>.

⁸⁸ First Deputy Prime Minister Viktor Zubkov chairs a meeting of the interdepartmental group on implementing measures to combat the drought, Government of Russia 6 August 2010. Date of Access: 3 November 2010. <http://government.ru/eng/docs/11663/>.

⁸⁹ Government resolution No. 654 of 30 August 2010, Government of Russia 30 August 2010. Date of Access:

The Russian authorities confirm Russia's willingness not to limit cooperation with the WFP exclusively to humanitarian food supplies, but to strive towards cross-sectoral projects in the field of development assistance. In particular, this relates to joint action in the CIS countries experiencing chronic food shortages.⁹⁰

During Josette Sheeran's visit to Russia in March 2010 two agreements with the Russian Government to strengthen the existing partnership were signed.⁹¹ Russian support for school meals programmes in CIS countries was confirmed. On the basis of the experience accumulated in the Russian city of Yaroslavl, the WFP and the Russian Government are designing school meals programmes for long-term projects in CIS countries, starting with Armenia. Initially these projects will distribute food supplied by the Russian government but later the food will be produced locally. The goal is to make the programmes self sufficient and nationally-owned.⁹² On 30 June 2010, the Russian Government decided to donate USD 8 million in 2010-2012 to the World Food Program (WFP) for school meals program implementation in Armenia.⁹³

A significant amount of food aid, especially in cases of natural and anthropogenic disasters, is allocated on the bilateral basis. This work has been synchronized with international food aid programmes.⁹⁴

3 November 2010. <http://government.consultant.ru/page.aspx?8411;1296286>.

⁹⁰ Visit to Russia by Josette Sheeran, Executive Director of the United Nations World Food Program (WFP) // Ministry of Foreign Affairs of Russia. 09.03.2010. URL: http://www.mid.ru/brp_4.nsf/0/0117AE9F6491BA0FC32576E2004C883C (date of access: 19.06.2010).

⁹¹ WFP and Russia Sign Deals to Defeat Hunger // The World Food Programme. URL: <http://www.wfp.org/stories/wfp-and-russia-sign-deals-defeat-hunger> (date of access: 19.06.2010).

⁹² Russia Provides Model for School Meals in CIS 18 March 2010 // The World Food Programme. URL: <http://www.wfp.org/stories/russia-provides-model-school-meals-cis> (date of access: 19.06.2010).

⁹³ Executive Order No. 1086-r of 30 June 2010 // Government of Russia. 30.06.2010. URL: <http://government.consultant.ru/page.aspx?8411;1288628> (date of access: 21.12.2010).

⁹⁴ Statement of the Ambassador Extraordinary and Plenipotentiary of Russia in Italy, Permanent Representative of Russia at the United Nations Food and Agriculture Organization and World Food Program A. Meshkov at the Conference 2 of the World Grain Forum “Programs of Food Aid: Problems, Ways and Mechanisms of Increase of Effectiveness in Modern Conditions”, St. Petersburg, 7 June 2009 // Ministry of Foreign Affairs of Russia. 7.06.2010. URL: <http://www.mid.ru/ns-dmo.nsf/cfabe4e8ed2f8ad7432569ff003cd1c0/432569f10031eb93c32575ce003cc96d> (date of access: 21.12.2010).

The Russian authorities recognize the importance of reaching a fair balance between the benefits of the export of food surpluses and the potential “dependency syndrome”, when regularly “fed” recipient countries may lose the spur to resolve existing problems by their own means. Thereby they emphasize the need to put forward a research program on such issues as development of technologies and providing access to them for all countries to promote domestic agrarian production within the international organizations. In particular, the issue of including the supply of equipment and technologies into food aid programs for developing countries is on the agenda.⁹⁵

Russia contributes to development of agriculture in the developing countries through the World Bank Global Food Crisis Response Program initiated in May 2008. The objectives of the programme are three-fold: reduce the negative impact of high and volatile food prices on the lives of the poor; support governments in the design of sustainable policies that mitigate the adverse impacts of volatile food prices; and support broad-based growth in productivity and market participation in agriculture.

The programme is financed through the Russia Food Price Crisis Rapid Response Trust Fund. Russia plans to donate up to USD 15 million.⁹⁶ In 2009 and 2010 Tajikistan received USD 6.75 million through this fund. Allocation of USD 6.8 million to Kyrgyzstan is being considered.⁹⁷

Russia is also promoting the idea of establishing a Eurasian Center of Agrarian Policy, whose principal function will be advisory assistance to governments and businesses in their efforts to increase food security in the Eurasian region.⁹⁸

In September 2010 the Russian Government decided to transform the office of the Permanent Representative of Russia at the FAO and WFP under the auspices of the Russian embassy in Italy into the Permanent Mission of Russia at the FAO

⁹⁵ Grain Market Development // Website of the President of Russia. 04.06.2009. URL: http://archive.kremlin.ru/eng/speeches/2009/06/04/1000_type82917_217214.shtml (date of access: 19.06.2010).

⁹⁶ World Bank Group Response to the Financial Crisis // The World Bank. 24.03.2009. URL: www.worldbank.org/financialcrisis/pdf/WBGResponse-VFF.pdf (date of access: 17.05.2009).

⁹⁷ World Bank Global Food Crisis Response Program. Externally-Funded Trust Funds Project Status // The World Bank. 09.09.2010. URL: http://www.worldbank.org/food-crisis/pdf/ProjectStatusExternalTF_Sept2009.pdf (date of access: 21.12.2010).

⁹⁸ Briefing by Russian MFA Spokesman Andrei Nesterenko, July 1, 2010 // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/brp_4.nsf/0/CB38AD105B024E87-C32577560020A324 (date of access: 17.09.2010).

and other international organizations based in Rome.⁹⁹ This decision is indicative of the expanding partnership between Russia and international institutions engaged in food security and agriculture development.

Food security predominates over support to agricultural development in Russia’s development assistance. It can be explained by significant wheat and flour reserves in the country. More active development of assistance programmes in the sphere of agriculture can help to stabilize the situation in the partner-countries as well as increase export of Russian technologies and machinery.

Regional Priorities

Russia assists to development of a wide range of countries. Now Russia provides support to compatriots in 91 countries. Different instruments of support including those related to international development assistance are used. For example, the new revision of the Law on compatriots provides for scholarships for compatriots on equal terms with the Russian citizens.¹⁰⁰

At the same time given the limited resources for enhancing effectiveness of the development assistance the Concept of Russia’s Participation in International Development Assistance specifies the priority group of aid recipients. First of all, these are the bordering countries – members of the Agreement on the Integrated Economic Space (IES) and the Eurasian Economic Community (EAEC); and other CIS countries. Particular attention is given to the countries of Sub-Saharan Africa as the least advanced and in need of international aid. But the number of Russian programmes in this region is limited.

According to the assessment of the G24 Secretariat while Russia was at the center of the programs of assistance to Africa, it does not have a significant aid program currently in Africa, but this may change if it were to follow the lead of the rest of the G8 in their stepped-up aid commitments to Africa [17].

The Concept for the Long-Term Social and Economic Development of Russia through 2020 states that the African countries, being the poorest

⁹⁹ Executive Order No. 1451-r of 3 September 2010 // Website of the Russian Government. 03.09.2010. URL: <http://government.ru/docs/12079/> (date of access: 17.09.2010).

¹⁰⁰ Director of the MFA’s Department on Work with Compatriots Abroad A. Chepurin’ interview, Kiev, 25 May 2010 // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/brp_4.nsf/0/6CDCE4DBF3CB837FC325772F00298F05 (date of access: 19.06.2010).

countries in the world, in future can become fast-growing emerging economies and will demand investments and capital goods. They have significant natural resources; thereby Africa's role as a resources supplier for Russian companies is growing. Given the growing competition in this market the following priority measures will be pursued:

- active use of trade preferences system, financial and technical assistance to Russian production and investments promotion in the region;
- expansion of educational services export and technical assistance in education and training;
- development of ties with African regional organizations including the African Union, Southern African Development Community, Economic Community of West African States and other organizations [13].

Recommendations

A major step of national development system creation was participation in the preparation of the Muskoka Accountability report (MAR) – Assessing Action and Results against Development-Related Commitments which was presented to the G8 summit in Canada in 2010. The data collected and analyzed using the OECD methodologies helps assess Russia's contribution to the international development assistance from 2005 to 2009.

Additional measures are needed to improve reporting according to the OECD requirements. To accelerate this process Russia should start reporting to the OECD Development Assistance Committee. Several countries, including Kuwait, Saudi Arabia, United Arab Emirates, Romania, Thailand, report their ODA expenditures to the DAC not being OECD members.

The following measures can be taken to increase Russia's role in international development assistance:

1. To amend the Concept of Participation of the Russian Federation in International Development Assistance or adopt a strategy or a programme to the Concept taking into consideration new strategic national and international documents, such as the Foreign Policy Concept of 2008 and the Accra Agenda for Action.
2. To specify the definitions of terms included in the Development Assistance Concept and legally define internationally recognized terms.
3. To adopt a plan of measures to implement the Development Assistance Concept

for 2012–2014. The plan should include development assistance measures, which will be implemented in the course of preparations for the Russian G8 Presidency in 2014 and Millennium Development Goals Achievement Summit in 2015.

4. To elaborate a programme and a schedule of ODA increase to 0.7 percent of ODA/GNI or another temporary target.
5. To elaborate a strategy of Russia's participation in activities of the main international organizations engaged in development assistance.
6. Until a credible national mechanism of ODA reporting is developed, ODA allocations should be divided into permanent (with the scale defined in the Concept) and temporary (for developing countries support during economic crises).
7. To develop the agriculture development assistance programmes, including on the bilateral basis, together with Russian companies – producers of agriculture technologies and machinery.
8. To involve NGOs and academia in Russia and partner countries into the development assistance programmes elaboration and implementation. Collaboration with the civil society and compatriots in the partner-countries will help develop sustainable relations less affected by political changes. Collaboration with the NGOs will release their potential for development assistance.

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